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Approved For Release 2002/05/07 : CIA-RDP 79R00890A001200050012-6

DOCUMENT
NO CHANGE IN CLASS. EL
DECLASCIFIEU
CLASS. CHAMELLO FO: TS S C
NEXT REVIEW DATE:
AUTH: HR 70-2
DATE 1280 REVIEWER:
May 1960

NSC BRIEFING

SOUTH VIETNAM

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- I. The Diem regime in South Vietnam, in addition to facing a stiff challenge from resurgent Communist guerrilla forces, is also confronted with a crumbling of strength from within which is potentially the more dangerous.
 - A. Criticism of President Diem's authoritative, one-man rule is becoming more pronounced at all levels of the government, including even among the military.
 - B. Common complaint is that Diem's refusal to delegate authority beyond a tight circle of relatives and cronies has paralyzed effective government, fostered favoritism and corruption, and facilitated Communist subversion.
 - C. Various Vietnamese officials, including cabinet members and Vice President Tho, have expressed fear for the government's stability unless reforms are speedily effected.
- II. Non-Communist opposition to Diem outside government circles--among intellectuals, labor leaders, etc.--is still uncoordinated but is becoming more outspoken.
 - A. A warning flag is the "manifesto" issued recently in Saigon by a nucleus group of old time Vietnamese government officials and civic leaders demanding liberalization of the government and adoption of democratic practices.
- III. Events in South Korea have added new dimension to the anti-Diem movement which has been building up over the past several years.

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- A. Critics of Diem are watching for a hint of any wavering of American support for present regime.
- IV. Despite growing pressures for reforms, Diem will probably try to maintain status quo.
 - A. He insists exigencies of the times preclude more democratic practices.
 - B. He thinks more in terms of bigger and better equipped military forces to beat down the growing Communist threat than in basic political and economic reform measures.
 - C. Over the long run, the Communists stand to parlay internal weakness of the Diem regime into ever greater subversive gains.